

Volunteer Income Tax Assistance Grant Program

Frequently Asked Questions

Category: General

Updated 01/01/2010

- 1. What are the taxable impacts on financial incentives, i.e. stipend or gas vouchers, etc. for VITA volunteers? For example, are stipends taxable income to the VITA volunteers and do they need to claim as income the value of gas vouchers?**

Stipends and certain non-cash allowances that are paid to volunteers are considered to be taxable income. However, volunteers may be able to deduct certain out-of-pocket expenses that have not been reimbursed, such as mileage on the Schedule A under contributions. Out-of-pocket expenses are a deductible Schedule A expense when you serve a qualified organization as a volunteer. Information concerning this topic can be found in Publication 17, *Your Federal Income Tax for Individuals*, beginning on page 158.

- 2. If the site does not have an ASL (American Sign Language) interpreter, can the client be referred to the IRS walk-in office for service if they do not wish to conduct business in writing?**

Yes. A complete list of services provided by the local walk-in office can be found at this link: <http://www.irs.gov/localcontacts>

- 3. Can an organization scan signed disclosures and store them on hard drive to meet the three-year requirement?**

Yes. Publication 1345 allows a practitioner to maintain electronic copies of taxpayer records.

Updated 07/01/2009

- 4. Can organizations that were awarded last year receive their scores?**

No. The Grant program Office will provide last year's applicants with strengths and weaknesses from their application. The request should be emailed to the Grant Program Office and include the applicant name and the requestor. The applicant name must match the name on the original application and the approving official's name must match the requestor's name.

- 5. Is the list of 2009 award recipient applications available for review?**

Yes. The 2009 VITA Grant Award Recipient list is located on irs.gov, key word "VITA Grant", *IRS Announces the 2009 VITA Grant Award Recipients*.

6. Are copies of the 2009 award recipient applications available for review?

Yes. You must submit a Freedom of Information Act (FOIA) request to obtain a copy. For more information please refer to www.irs.gov/foia/. All requests should be mailed to:

IRS FOIA Request
HQ FOIA Stop 93
2385 Chamblee Tucker Road
Chamblee, GA 30341

7. Will funding go to major metro areas only? It appears that the 2009 VITA Grant funding was to major metro areas only.

Funding last year went to a variety of programs, some of which served rural locations. The location of the applicant should not be assumed to represent the geographic area of service. As part of the Grant Program Office evaluation, geographic diversity is considered.

8. Will it be a negative to request funding to sustain a high level existing program? Resources are less due to the economic climate.

No. The program plan should identify the need to sustain the high level existing program. Include the challenges and difficulties in obtaining resources to increase the program and include any potential increases in production or leveraging.

9. Will the 2009 Grant Award Recipients be treated on the same level as the new applicants?

Yes. This is a competitive grant. Each application stands on its own merit. However, prior award recipients will also be reviewed on a timely reporting requirement.

10. What happens if a coalition and an individual program from the coalition both apply? How would you know if both applied?

A coalition and a coalition member cannot both apply. The coalition members should discuss and agree on how to apply. We review the site identification numbers (SIDN) and electronic filing identification numbers (EFIN) of each applicant. If SIDNs or EFINS are duplicated, the applicants will be contacted.

11. How do you locate the SPEC territory contact person?

Contact the Grant Program Office for the SPEC Territory contact for your area. The Grant Program office contact information is located in the front cover of the Publication 4671.

12. How is VITA training accomplished?

The SPEC Territory Relationship Manager will assist with volunteer training, train the trainer training and automated Link and Learn training. Contact your local SPEC office for additional information.

13. How should applicants develop and prepare a ramped up application without a paid grant writer?

Thoroughly read the Publication 4671 and follow all required guidelines as indicated in the application package.

14. What is the reasonable increase in return production?

There is no set standard increase for return production. The amount of increase will be different for each program.

15. Will there be a penalty for limited progress in rural areas?

No. There is no penalty for limited growth in rural areas, however, the program plan narrative should explain and describe the reason for the limited growth.

16. What is the calculation for rental space?

The value of donated rental space is based on the fair market rental value at the time of donation.

17. Is it possible to receive more funding after the awards are given?

Not under normal circumstances. If funds were returned from another program, these funds would be re-granted to another award recipient.

18. Can the indirect cost rate be used for salaries?

Yes. The indirect cost rate can be used for salaries. The indirect cost agreement must be included with the application.

19. Can a small site have a salaried site coordinator who also does tax preparation?

Yes, but the site coordinator should only be paid for the time spent as a coordinator. The time spent preparing tax returns is not an allowable paid position. Time spent on each position should be adequately documented.

20. What is the most common reason an applicant would be considered ineligible?

The most common cause for being ineligible is: not tax compliant; the 70% minimum score not met; and incomplete or inadequate information.

Updated 06/01/2009

21. *How many awards do you anticipate granting? Is there an average award amount already determined?*

We expect the response to the VITA Grant to be much like last year. We received 379 applications and awarded 111 organizations. There is no average award amount determined.

22. *Where can I get information about the VITA grant?*

The Publication 4671, *VITA Grant Program 2010 Program Overview and Application Package*, is available on IRS.gov. Using the keyword search option available on the site, type in "VITA Grant" for the most current information about the VITA Grant including frequently asked questions, forms, and templates that can be used to complete parts of the VITA Grant application.

23. *Do you know when and where the orientation meeting will be held? Can you provide more information on how to budget for this meeting?*

The orientation meeting will be held in Atlanta, Georgia. The cost of attending the orientation can be included in your budget. The cost is limited to two individuals attending using grant funds. The orientation is geared toward management of the grant and not site operations.

24. *How many people can an applicant send to the orientation/training for those awarded a grant?*

According to Publication 4671 page 18, a maximum of 2 individuals are allowed to attend the orientation/training session.

Updated 07/31/2008

25. *What is the VITA Grant Program?*

In December 2007, Congress appropriated funds to the IRS to establish and administer a one-year matching grant program in consultation with the Taxpayer Advocate Service, for Community Volunteer Income Tax Assistance. The program shall provide direct funds to:

- Enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and non-urban
- Increase the capacity to file returns electronically
- Heighten quality control
- Enhance training of volunteers, and
- Significantly improve the accuracy rate of returns prepared by VITA sites

26. *Is there a minimum or maximum award amount?*

No. There are no minimum or maximum award amounts; however, there is a matching requirement on a dollar-for-dollar basis for any funds requested.

For more information, please contact the grant office at: Grant.Program.Office@irs.gov

27. How much money will be awarded in grants?

Congress appropriated \$8 million; however, IRS will use 7% for administration of the program. The remaining 93% or \$7.44 million will be awarded as grants.

28. Could a non-profit receive both a TCE grant and a VITA grant?

Yes, but not for the same service. They cannot co-mingle the funds, and the services must be tracked separately.

29. Are there any so-called re-granting requirements?

Funds cannot be *re-granted*. That is to say, you cannot obtain funds and then issue a call for grant applications to disburse the funds. However, as a lead organization over a coalition or coalitions, you can disburse the funds to your members. These members and the amount to be disbursed is required to be detailed in the program plan narrative.

NOTE: Monies can only be spent on those items deemed allowable, necessary and reasonable.

30. May I submit an application for more than one filing season?

No. At this time, it is a one-time opportunity for services to be provided during each filing season. We do plan to consider multi-year grants in the future.

31. How frequently will the FAQs be updated on IRS.gov concerning the questions received by the Grant Program Office?

The GPO plans to post updated FAQs every two weeks on IRS.gov.

32. If I have additional questions, who do I contact?

You may send an email to the grant.program.office@irs.gov or call 404-338-7894.

33. Should a small local partner seek assistance in writing their application? Larger partners have a greater capacity and more experience in grant writing.

Partners should decide if assistance is needed in writing a grant proposal. All partners will be given the same consideration as long as the package is complete. The partner should submit a package that follows the guidelines. **NOTE:** Costs associated with writing and submission of the application is not allowable.

34. Is there an appeal process if a grant is not awarded?

No.

35. Can you tell me what the Catalog of Federal Domestic Assistance Number (used in conjunction with Standard Form 424) is for the VITA Grant Program?

The Catalog of Federal Domestic Assistance Number (CFDA) for the VITA Grant is 21.003. You may also use the acronym "VITA" in the Grants.gov search.